

Hearing Date: June 7, 2023 (Atlantic Standard Time)  
Objection Deadline: March 30, 2023 at 4:00 p.m. (Atlantic Standard Time)

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

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In re:

PROMESA  
Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

Case No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO,  
*et al.*,

(Jointly Administered)

Debtor.<sup>1</sup>

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**SUMMARY SHEET ACCOMPANYING FINAL FEE APPLICATION  
OF MCKINSEY & COMPANY PUERTO RICO CONSULTING, INC.<sup>2</sup>  
AS CONSULTING SERVICES PROVIDER TO THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF DEBTOR,  
THE COMMONWEALTH OF PUERTO RICO, FOR THE TOTAL COMPENSATION  
PERIOD FROM JULY 1, 2017 THROUGH MARCH 15, 2022**

Name of Applicant:

McKinsey & Company Puerto Rico Consulting, Inc.  
(“McKinsey Puerto Rico”)

Authorized to Provide Services to:

The Financial Oversight and Management Board for  
Puerto Rico, as Representative of the Debtors Pursuant  
to PROMESA Section 315(b)

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> The Final Fee Application attached hereto and defined herein is being filed on behalf of McKinsey & Company, Inc. Washington D.C. (“McKinsey Washington”) and McKinsey Puerto Rico, each of which was a signatory to service contracts entered into with the Financial Oversight and Management Board for Puerto Rico. As set forth more fully in the Final Fee Application, the service contracts were initially executed by McKinsey Washington and effective July 2019, the contracts for the same workstreams were executed by McKinsey Puerto Rico. The amount of compensation requested on behalf of McKinsey Washington for the period from July 1, 2017 through June 30, 2019, and the amount of compensation subsequently requested by McKinsey Puerto Rico for the period from July 1, 2019 through March 15, 2022, are separately set forth herein.

Period for which Compensation and Reimbursement is Sought:

July 1, 2017 through March 15, 2022

Monthly Fee Statements Subject to Final Fee Request:

First Consolidated Monthly Fee Statement for Compensation for Services Rendered by McKinsey Washington from July 1, 2017 through July 31, 2017, dated December 13, 2017, through and including the Eighteenth Monthly Fee Statement for Compensation for Services Rendered by McKinsey Washington from June 1, 2019 through June 30, 2019, dated September 5, 2019

First Consolidated Monthly Fee Statement for Compensation for Services Rendered by McKinsey Puerto Rico from July 1, 2019 through July 31, 2019, dated December May 4, 2020, through and including the Thirty-Third Monthly Fee Statement for Compensation for Services Rendered by McKinsey Puerto Rico from March 1, 2022 through March 15, 2022, dated June 30, 2022

Total Allowance Requested for Final Compensation Period:

**\$75,317,675.00 allocated as follows:**

- **\$33,694,500.00 to McKinsey Washington**
- **\$41,623,175.00 to McKinsey Puerto Rico**

Total Expenses Requested for Final Compensation Period:

**\$0.00<sup>3</sup>**

Total Outstanding Fees Requested for Final Compensation Period:

**\$0.00**

Total Fees and Expenses Subject to an Objection:

**\$0.00**

Type of Application:

**Final Fee Application:  
Commonwealth Title III Support**

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<sup>3</sup> McKinsey Puerto Rico, like McKinsey Washington, provides services on a fixed fee basis, and as such, seeks no reimbursement of expenses.

**SUMMARY OF PRIOR INTERIM FEE APPLICATIONS:**

**McKinsey Washington:**

<b>Date [Docket No.]</b>	<b>Interim Fee Period ("IFP")</b>	<b>Fees Approved</b>	<b>Expenses</b>	<b>Date of Fee Order</b>	<b>Docket No. of Fee Order</b>
12/15/18 [2073]	<b><i>First IFP</i></b> (7/1/17 to 9/30/17)	100% \$1,480,000.00	N/A	11/9/18	4200
3/16/18 [2756]	<b><i>Second IFP</i></b> (10/1/17 to 1/31/18)	100% \$6,550,000.00	N/A	11/9/18	4200
7/16/18 [3580]	<b><i>Third IFP</i></b> (2/1/18 to 5/31/18)	100% \$7,237,000.00	N/A	11/9/18	4200
11/16/18 [4333]	<b><i>Fourth IFP</i></b> (6/1/18 to 9/30/18)	100% \$5,670,000.00	N/A	3/14/19	5654
3/18/19 [5804]	<b><i>Fifth IFP</i></b> (10/1/18 to 1/31/19)	100% \$5,670,000.00	N/A	10/29/19	9046
7/15/19 [8008]	<b><i>Sixth IFP</i></b> (2/1/19 to 5/31/19)	100% \$5,670,000.00	N/A	10/29/19	9046
7/21/20 [13756]	<b><i>Seventh IFP</i></b> 6/1/19 to 6/30/19)	100% \$1,417,500.00	N/A	10/26/20	14925

**SUMMARY OF PRIOR INTERIM FEE APPLICATIONS:**

**McKinsey Puerto Rico:**

<b>Date [Docket No.]</b>	<b>Interim Fee Period ("IFP")</b>	<b>Fees Approved</b>	<b>Expenses</b>	<b>Date of Fee Order</b>	<b>Docket No. of Fee Order</b>
7/21/20 [13759]	<b><i>First IFP</i></b> (7/1/19 to 5/31/20)	100% \$15,138,625.00	N/A	10/26/20	14925
12/16/20 [15459]	<b><i>Second IFP</i></b> (6/1/20 to 9/30/20)	100% \$4,728,300.00	N/A	3/8/21	15971
4/15/21 [16446]	<b><i>Third IFP</i></b> (10/1/20 to 1/31/21)	100% \$3,711,250.00	N/A	10/4/21	18371
8/31/21 [18003]	<b><i>Fourth IFP</i></b> (2/1/21 to 5/31/21)	100% \$5,492,500.00	N/A	10/21/21	18625
6/10/22 [21181]	<b><i>Fifth IFP</i></b> (6/1/21 to 9/30/21)	100% \$5,670,000.00	N/A	1/27/23	23408
6/10/22 [21182]	<b><i>Sixth IFP</i></b> (10/1/21 to 1/31/22)	100% \$5,322,500.00	N/A	1/27/23	23408
7/19/22 [21546]	<b><i>Seventh IFP</i></b> (2/1/22 to 3/15/22)	100% \$1,560,000.00	N/A	1/27/23	23408

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

Case No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO,  
*et al.*,

(Jointly Administered)

Debtor.<sup>4</sup>

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**FINAL APPLICATION OF MCKINSEY & COMPANY PUERTO RICO CONSULTING,  
INC. AS CONSULTING SERVICES PROVIDER TO THE FINANCIAL OVERSIGHT  
AND MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF  
DEBTOR, THE COMMONWEALTH OF PUERTO RICO, FOR THE PERIOD FROM  
JULY 1, 2017 THROUGH MARCH 15, 2022**

McKinsey & Company Puerto Rico Consulting, Inc. ("McKinsey Puerto Rico"), strategic consultants to the Debtor in the above-captioned case, respectfully represents:

**INTRODUCTION**

1. By this final application (the "Final Fee Application"), McKinsey Puerto Rico, on behalf of itself and McKinsey & Company, Inc. Washington D.C. ("McKinsey Washington"), the initial

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<sup>4</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

signatory to the Consulting Agreements (as defined herein) entered into with the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), seeks the allowance and payment of compensation for professional services related to Commonwealth Title III support<sup>5</sup> rendered pursuant to the Third Amended Order Setting Procedures for Interim and Final Compensation and Reimbursement of Expenses of Professionals [Docket No. 20546] (the “Third Interim Compensation Order”), the applicable provisions of Title 11 of the United States Code (the “Bankruptcy Code”), the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”) and Appendix B of the U.S. Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330 by Attorneys in Large Chapter 11 Cases Effective as of November 1, 2013 (the “U.S. Trustee Guidelines,” and together with the Third Interim Compensation Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, the “Code and Rules”). Pursuant to the Code and Rules, the Certification of Thomas Dohrmann, President of McKinsey Puerto Rico, regarding compliance with the statutory and legal authority cited above is attached hereto as Exhibit A.

2. This Final Fee Application is being filed on behalf of McKinsey Washington and McKinsey Puerto Rico, each of which was a signatory to service contracts entered into with the Oversight Board. As set forth in paragraphs 12 and 13 hereof, the contracts were initially executed by McKinsey Washington and effective July 2019, the contracts for the same workstreams were executed by McKinsey Puerto Rico. Accordingly, this Final Fee Application seeks a final allowance of compensation in the aggregate amount of \$75,317,675.00 allocated as follows: (i)

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<sup>5</sup> For the avoidance of doubt, general references herein to the services provided by McKinsey Puerto Rico during the course of these cases for the Total Compensation Period (as defined herein), shall also include McKinsey Washington, as and to the extent applicable.

a final allowance of compensation for professional services rendered by McKinsey Washington for the period from July 1, 2017 through June 30, 2019 (the “McKinsey Washington Compensation Period”) pursuant to the “Commonwealth Title III Support” Project Assignment of the applicable Consulting Agreements, as defined in paragraph 13, in the aggregate amount of \$33,694,500.00, representing 100% of fees incurred during the McKinsey Washington Compensation Period, and (ii) a final allowance of compensation for professional services rendered by McKinsey Puerto Rico for the period from July 1, 2019 through March 15, 2022 (the “McKinsey Puerto Rico Compensation Period,” and together with the McKinsey Washington Compensation Period, the “Total Compensation Period”) pursuant to the “Commonwealth Title III Support” Project Assignment of the applicable Consulting Agreements, as defined in paragraph 13, in the aggregate amount of \$41,623,175.00, representing 100% of fees incurred during the McKinsey Puerto Rico Compensation Period. McKinsey Washington and McKinsey Puerto Rico submit that the final allowance and payment of the aggregate amount of \$75,317,675.00 incurred during the Total Compensation Period, as allocated herein, is fully warranted given the actual and necessary services rendered to the Debtor, as described in this Final Fee Application.

### **BACKGROUND AND JURISDICTION**

3. On May 3, 2017 (the “Petition Date”), the Commonwealth of Puerto Rico (as herein defined), by and through the Oversight Board, pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), filed a petition (the “Petition”) with the United States District Court for the District of Puerto Rico (the “Court”) under Title III of PROMESA.

4. On May 5, 2017, the Puerto Rico Sales Tax Financing Corporation (“COFINA,” and together with the Commonwealth (the “Commonwealth”) of Puerto Rico, the “Debtors”), by and through the Oversight Board, as COFINA’s representative pursuant to PROMESA section 315(b), filed a petition (“COFINA’s Petition,” and together with the Commonwealth’s Petition, the “Petitions”) with the Court under Title III or PROMESA. The filings of the Petitions constitute orders for relief under Title III of PROMESA.
5. On May 9, 2017, the Debtor filed a motion seeking the joint administration of the Title III cases (the “Title III Cases”) for procedural purposes only, pursuant to PROMESA section 304(g) and Bankruptcy Rule 1015, made applicable to these Title III Cases by PROMESA section 310. On June 1, 2017, the Court ordered that the cases be consolidated for procedural purposes and be jointly administered.
6. On June 15, 2017, an Official Committee of Unsecured Creditors and an Official Committee of Retirees were appointed in the Title III Cases by the United States Trustee for Region 21.
7. On November 8, 2017, the Court entered *the First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, which directs that professionals in the Title III Cases be paid interim compensation and outlines the procedures by which professionals are to submit, at four-month intervals, “an application for interim Court approval and allowance of the payment of compensation.”
8. On June 6, 2018, the Court entered *the Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, which amended certain provisions regarding the procedures by which professionals are to submit, at four-month intervals, “an application for interim Court approval and allowance of the payment of compensation.”



9. On April 12, 2022, the Court entered the Third Interim Compensation Order, which amended certain provisions regarding the procedures by which professionals are to submit an application for interim and final Court approval and allowance of the payment of compensation. The First Interim Compensation Order, Second Interim Compensation Order and Third Interim Compensation Order shall be collectively referred to herein as the “Interim Compensation Order,” as applicable.
10. On August 2, 2021, the Court entered an Order approving the Disclosure Statement (the “Disclosure Statement”) for the Seventh Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al., filed by the Commonwealth, Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and Puerto Rico Public Buildings Authority (“PBA”). On January 14, 2022, the Commonwealth, ERS, and PBA filed the Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al. (the “Plan”) On January 18, 2022, the Court entered an Order confirming the Plan. On March 15, 2022, the Effective Date of the Plan occurred, and the Plan was consummated.
11. This Court has subject matter jurisdiction over this matter pursuant to PROMESA section 306(a). Venue is proper in this district pursuant to PROMESA section 307(a).

### **THE RETENTION OF MCKINSEY PUERTO RICO**

12. On or about July 3, 2017, McKinsey Washington and the Oversight Board entered into certain contracts setting forth consulting services that McKinsey Washington would provide in support of the Title III proceedings (the “Original Consulting Agreement”). Thereafter, the Original Consulting Agreement was amended and extended on multiple occasions without interruption.

13. As agreed with the Oversight Board, on or about July 1, 2019, McKinsey Puerto Rico and the Oversight Board entered into subsequent contracts, as renewed from time to time, setting forth consulting services that McKinsey Puerto Rico, an affiliate of McKinsey Washington, would provide in support of the Title III proceedings (collectively, with the Original Consulting Agreement, the “Consulting Agreements”).<sup>6</sup> The project assignments under the Consulting Agreements are divided into three (3) distinct workstreams: (i) Commonwealth Title III Support; (ii) Title III Support for PREPA; and (iii) Title III Support for HTA. This Final Fee Application concerns the first workstream, namely Commonwealth Title III Support<sup>7</sup> and seeks a final allowance and payment of final compensation on behalf of McKinsey Washington and McKinsey Puerto Rico.
14. Consistent with how McKinsey Washington, the previous entity that initially provided services to the Oversight Board, serves clients and prices its engagements both for the public and private sectors, McKinsey Puerto Rico’s fee structure under the Consulting Agreements for services related to Commonwealth Title III support was constructed on a monthly firm fixed price basis at the same rates as those charged by McKinsey Washington, throughout the Total Compensation Period.

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<sup>6</sup> The rate structures set forth in the Consulting Agreements apply to all fees requested by McKinsey Washington and McKinsey Puerto Rico, as applicable, for the Total Compensation Period.

<sup>7</sup> McKinsey Puerto Rico previously served separate Seventh Interim Fee Applications for compensation for services rendered pursuant to the Commonwealth workstream, the HTA workstream and the PREPA workstream under the Consulting Agreements. McKinsey Puerto Rico will be serving separate Final Fee Applications for compensation for services rendered pursuant to the HTA workstream and the PREPA workstream under the Consulting Agreements at the appropriate time.

15. The monthly rates charged by McKinsey Puerto Rico are similar to rates that McKinsey Washington charges for professional services rendered in comparable matters. Such fees are reasonable based on the customary compensation in a competitive market.
16. There is no agreement or understanding between McKinsey Washington or McKinsey Puerto Rico and any other nonaffiliated person for the sharing of compensation to be received for services rendered in the Title III Cases.
17. All services performed by McKinsey Washington and McKinsey Puerto Rico for which fees are requested herein were performed or incurred for and on behalf of the Debtor and were not for any other person or entity.

**SUMMARY DESCRIPTION OF SERVICES PERFORMED –  
COMMONWEALTH TITLE III SUPPORT**

18. The accomplishments achieved by McKinsey Puerto Rico during the Total Compensation Period were made possible only through the continuous results procured by McKinsey Puerto Rico during the prior interim periods and indeed, since the inception of these cases. During the course of the Total Compensation Period, McKinsey Puerto Rico was required to assist the Debtor with, among other things, cash flow forecasting, financial modeling, preparation of materials for negotiations, and a wide range of services related to the administration of the Debtor's case.
19. The services provided by professionals of McKinsey Washington and McKinsey Puerto Rico during the Total Compensation Period are set forth in detail in various interim fee applications previously filed with and approved on an interim basis by this Court, each of which included exhibits setting forth the Consulting Agreements and monthly fee statements for the applicable interim periods. As those applications and related exhibits are voluminous, they are not being appended to this Final Fee Application but will be provided to the Court and/or to the Fee

Examiner upon request. As noted herein, this Final Fee Application respectfully seeks final approval, and a final allowance and payment of all previously requested compensation (including all paid amounts and holdbacks) on behalf of McKinsey Washington and McKinsey Puerto Rico, as applicable.

**REASONABLE AND NECESSARY SERVICES PROVIDED**  
**BY MCKINSEY PUERTO RICO**

20. The professional services performed by McKinsey Puerto Rico during the Total Compensation Period were necessary and appropriate to the administration of the Debtor's case. Additionally, McKinsey Puerto Rico's services were performed expeditiously and efficiently, and were in the best interests of the Debtor, its estate and other parties in interest. The requested compensation is commensurate with the complexity, importance and time-sensitive nature of the problems, issues and tasks involved in this case.
21. In order to provide the Debtor with the level of service required for a case of this size and complexity, and to provide the level of skill and expertise required for the sophisticated issues presented in this case, McKinsey Puerto Rico drew on the experience of consultants and experts with a wide degree of tenure and across multiple geographic locations. McKinsey Puerto Rico brought to this case unparalleled experience, efficiency and deep restructuring expertise that inured to the benefit of the Debtor and all parties in interest.
22. During the Total Compensation Period, McKinsey Puerto Rico billed the Debtor for time expended by professionals using a monthly firm fixed price basis.
23. McKinsey Puerto Rico is not seeking reimbursement of any expenses incurred in connection with services provided in the Debtor's case.

**SUMMARY OF PROFESSIONAL COMPENSATION REQUESTED**

**Interim Fee Applications**

**a. McKinsey Washington Interim Fees**

24. On December 15, 2018, pursuant to the Interim Compensation Order, McKinsey Washington filed its First Interim Fee Application, covering the compensation period July 1, 2017 through September 30, 2017 [Docket No. 2073].
25. On March 16, 2018, pursuant to the Interim Compensation Order, McKinsey Washington filed its Second Interim Fee Application, covering the period October 1, 2017 through January 31, 2018 [Docket No. 2756].
26. On July 16, 2018, pursuant to the Interim Compensation Order, McKinsey Washington filed its Third Interim Fee Application, covering the period February 1, 2018 through May 31, 2018 [Docket No. 3580].
27. On October 31, 2018, pursuant to the Fee Examiner's Third Interim Report on Professional Fees and Expenses (February 1, 2018 – May 31, 2018), the Fee Examiner recommended full approval of the First, Second and Third Interim Fee Applications filed by McKinsey Washington [Docket No. 4126].
28. On November 9, 2018, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the First (May 3 through September 30, 2017), Second (October 1, 2017 through January 31, 2018), and Third (February 1 through May 31, 2018) Interim Compensation Periods (the "Omnibus Fee Order"), this Court granted McKinsey Washington's First, Second and Third Interim Fee Applications, and authorized the Debtor to pay one hundred (100%) percent of the fees requested

by McKinsey Washington for each of those compensation periods, as set forth on Exhibit A to the Omnibus Fee Order [Docket No. 4200].

29. On November 16, 2018, pursuant to the Interim Compensation Order, McKinsey Washington filed its Fourth Interim Fee Application, covering the period June 1, 2018 through September 30, 2018 [Docket No. 4333].
30. On March 14, 2019, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the Fourth Compensation Period (June 12, 2018 through September 30, 2018) (the “Second Omnibus Fee Order”), this Court granted McKinsey Washington’s Fourth Interim Fee Application, and authorized the Debtor to pay one hundred (100%) percent of the fees requested by McKinsey Washington for the compensation period, as set forth on Exhibit A to the Second Omnibus Fee Order [Docket No. 5654].
31. On March 18, 2019, pursuant to the Interim Compensation Order, McKinsey Washington filed its Fifth Interim Fee Application, covering the period October 1, 2018 through January 31, 2019 [Docket No. 5804].
32. On June 26, 2019, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the Fifth Compensation Period (October 1, 2018 through January 31, 2019) (the “Third Omnibus Fee Order”), this Court adjourned consideration of McKinsey Washington’s Fifth Interim Fee Application.
33. On July 15, 2019, pursuant to the Interim Compensation Order, McKinsey Washington filed its Sixth Interim Fee Application, covering the period February 1, 2019 through May 31, 2019 [Docket No. 8008].

34. On October 29, 2019, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the Sixth Compensation Period (February 1, 2019 through May 31, 2019) (the “Fourth Omnibus Fee Order”), this Court granted McKinsey Washington’s Fifth and Sixth Interim Fee Applications, and authorized the Debtor to pay one hundred (100%) percent of the fees requested by McKinsey Washington for the compensation periods, as set forth on Exhibit D to the Fourth Omnibus Fee Order [Docket No. 9046].

35. On July 21, 2020, pursuant to the Interim Compensation Order, McKinsey Washington filed its Seventh Interim Fee Application, covering the compensation period from June 1, 2019 through June 30, 2019 [Docket No. 13756].<sup>8</sup>

**b. McKinsey Puerto Rico Interim Fees**

36. On July 21, 2020, pursuant to the Interim Compensation Order, McKinsey Puerto Rico filed its First Interim Fee Application, covering the compensation period from July 1, 2019 through May 31, 2020 [Docket No. 13759].

37. On October 26, 2020, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses, this Court approved McKinsey Washington’s Seventh Interim Fee Application and McKinsey Puerto Rico’s First Interim Fee Application in their entirety [Docket No. 14925]. To date, McKinsey

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<sup>8</sup> McKinsey Washington’s interim fee applications for the Commonwealth workstream are summarized as follows:

<b>McKinsey Washington</b>	<b>First Interim Interim Fee Application</b>	<b>Second Interim Fee Application</b>	<b>Third Interim Fee Application</b>	<b>Fourth Interim Fee Application</b>	<b>Fifth Interim Fee Application</b>	<b>Sixth Interim Fee Application</b>	<b>Seventh Interim Fee Application</b>
Commonwealth Workstream	\$1,480,000.00	\$6,550,000.00	\$7,237,000.00 (understated by \$500.00)	\$5,670,000.00	\$5,670,000.00	\$5,670,000.00	\$1,417,500.00

Puerto Rico has been paid, on an interim basis, one hundred (100%) percent of its fees requested pursuant to the First Interim Fee Application.

38. On December 16, 2020, pursuant to the Interim Compensation Order, McKinsey Puerto filed its Second Interim Fee Application, covering the compensation period from June 1, 2020 through September 30, 2020 [Docket No. 15459].
39. On March 8, 2021, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses, this Court approved McKinsey Puerto Rico's Second Interim Fee Application in its entirety [Docket No. 15971]. To date, McKinsey Puerto Rico has been paid, on an interim basis, one hundred (100%) percent of its fees requested pursuant to the Second Interim Fee Application.
40. On April 15, 2021, pursuant to the Interim Compensation Order, McKinsey Puerto Rico filed its Third Interim Fee Application, covering the compensation period from October 1, 2020 through January 31, 2021 [Docket No. 16446].
41. On October 4, 2021, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses, this Court approved McKinsey Puerto Rico's Third Interim Fee Application in its entirety [Docket No. 18371]. To date, McKinsey Puerto Rico has been paid, on an interim basis, one hundred (100%) percent of its fees requested pursuant to the Third Interim Fee Application.
42. On August 31, 2021, pursuant to the Interim Compensation Order, McKinsey Puerto Rico filed its Fourth Interim Fee Application, covering the compensation period from February 1, 2021 through May 31, 2021 [Docket No. 18003].
43. On October 21, 2021, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses, this Court



approved McKinsey Puerto Rico's Fourth Interim Fee Application in its entirety [Docket No. 18625]. To date, McKinsey Puerto Rico has been paid, on an interim basis, one hundred (100%) percent of its fees requested pursuant to the Fourth Interim Fee Application.

44. On June 10, 2022, pursuant to the Interim Compensation Order, McKinsey Puerto Rico filed its Fifth Interim Fee Application, covering the compensation period from June 1, 2021 through September 30, 2021 [Docket No. 21181].

45. On January 27, 2023, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses, this Court approved McKinsey Puerto Rico's Fifth Interim Fee Application in its entirety [Docket No. 23408]. To date, McKinsey Puerto Rico has been paid, on an interim basis, one hundred (100%) percent of its fees requested pursuant to the Fifth Interim Fee Application.

46. On June 10, 2022, pursuant to the Interim Compensation Order, McKinsey Puerto Rico filed its Sixth Interim Fee Application, covering the compensation period from October 1, 2021 through January 31, 2022 [Docket No. 21182].

47. On January 27, 2023, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses, this Court approved McKinsey Puerto Rico's Sixth Interim Fee Application in its entirety [Docket No. 23408]. To date, McKinsey Puerto Rico has been paid, on an interim basis, one hundred (100%) percent of its fees requested pursuant to the Sixth Interim Fee Application.

48. On July 19, 2022, pursuant to the Interim Compensation Order, McKinsey Puerto Rico filed its Seventh Interim Fee Application, covering the compensation period from February 1, 2022 through March 15, 2022 [Docket No. 21546].<sup>9</sup>

49. On January 27, 2023, pursuant to the Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses, this Court approved McKinsey Puerto Rico's Seventh Interim Fee Application in its entirety [Docket No. 23408]. To date, McKinsey Puerto Rico has been paid, on an interim basis, one hundred (100%) percent of its fees requested pursuant to the Seventh Interim Fee Application.
50. By this Final Fee Application, McKinsey Washington and McKinsey Puerto Rico respectfully request a final allowance of all amounts previously awarded on an interim basis by this Court.

**THE REQUESTED COMPENSATION SHOULD BE ALLOWED**

51. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. Section 330 of the Bankruptcy Code provides that a court may award a professional "reasonable compensation for actual necessary services rendered ... and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded ..., the court should consider the nature, the extent, and the value of such services, taking into account all relevant factors, including-

- (A) the time spent on such services;

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<sup>9</sup> McKinsey Puerto Rico's interim fee applications for the Commonwealth workstream are summarized as follows:

<b>McKinsey Puerto Rico</b>	<b>First Interim Fee Application</b>	<b>Second Interim Fee Application</b>	<b>Third Interim Fee Application</b>	<b>Fourth Interim Fee Application</b>	<b>Fifth Interim Fee Application</b>	<b>Sixth Interim Fee Application</b>	<b>Seventh Interim Fee Application</b>
Commonwealth Workstream	\$15,138,625.00	\$4,728,300.00	\$3,711,250.00	\$5,492,500.00	\$5,670,000.00	\$5,322,500.00	\$1,560,000.00

- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title 11 U.S.C. § 330(a)(3).

52. As demonstrated by this Final Fee Application, the services that McKinsey Puerto Rico rendered during the Total Compensation Period were reasonable, necessary and appropriate. McKinsey Puerto Rico expended its time economically and without unnecessary duplication of effort. In addition, the work conducted was carefully assigned to appropriate professionals, according to the experience and level of knowledge required for each particular task. Accordingly, final approval of the compensation sought herein is warranted.

### **CONCLUSION**

WHEREFORE, McKinsey Puerto Rico respectfully requests that the Court enter an order (i) awarding a final allowance of compensation for the Total Compensation Period in the total amount of \$75,317,675.00 (which includes all previously paid amounts and holdbacks), of which

\$33,694,500.00 is allocable to McKinsey Washington and \$41,623,175.00 is allocable to McKinsey Puerto Rico, and (ii) granting such other relief as this Court deems just and proper.

Dated: March 10, 2023

McKinsey & Company Puerto Rico  
Consulting, Inc.

/s/ Thomas Dohrmann

Thomas Dohrmann, President  
McKinsey & Company Puerto Rico Consulting, Inc.  
1225 Ave Juan Ponce de Leon  
San Juan, Puerto Rico 00907  
PH-786  
Email: Thomas\_Dohrmann@mckinsey.com

*Strategic Consultant to the Debtor*

**Certificate of Service**

1. Notice of this Final Fee Application has been or will be provided by overnight delivery or e-mail

to:

- i. attorneys for the Oversight Board, Proskauer Rose LLP, Eleven Times Square, New York, NY 10036, Attn: Martin J. Bienenstock, Esq. ([mbienenstock@proskauer.com](mailto:mbienenstock@proskauer.com)) and Ehud Barak, Esq. ([ebarak@proskauer.com](mailto:ebarak@proskauer.com)), and Proskauer Rose LLP, 70 West Madison Street, Chicago, IL 60602, Attn: Paul V. Possinger, Esq. ([ppossinger@proskauer.com](mailto:ppossinger@proskauer.com));
- ii. attorneys for the Oversight Board, O'Neill & Borges LLC, 250 Muñoz Rivera Ave., Suite 800, San Juan, PR 00918, Attn: Hermann D. Bauer, Esq. ([hermann.bauer@oneillborges.com](mailto:hermann.bauer@oneillborges.com));
- iii. attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority, O'Melveny & Myers LLP, Times Square Tower, 7 Times Square, New York, NY 10036, Attn: John J. Rapisardi, Esq. ([jrapisardi@omm.com](mailto:jrapisardi@omm.com)), Suzanne Uhland, Esq. ([suhland@omm.com](mailto:suhland@omm.com)), and Diana M. Perez, Esq. ([dperez@omm.com](mailto:dperez@omm.com));
- iv. attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority, Marini Pietrantonio Muñoz LLC, MCS Plaza, Suite 500, 255 Ponce de León Ave, San Juan, PR 00917, Attn: Luis C. Marini-Biaggi, Esq. ([lmardini@mpmlawpr.com](mailto:lmardini@mpmlawpr.com)) and Carolina Velaz-Rivero Esq. ([cvelaz@mpmlawpr.com](mailto:cvelaz@mpmlawpr.com));
- v. the Office of the United States Trustee for the District of Puerto Rico, Edificio Ochoa, 500 Tanca Street, Suite 301, San Juan, PR 00901 (re: In re: Commonwealth of Puerto Rico), Attn: Monsita Lecaroz ([monsita.lecaroz@usdoj.gov](mailto:monsita.lecaroz@usdoj.gov));
- vi. attorneys for the Official Committee of Unsecured Creditors, Paul Hastings LLP, 200 Park Ave., New York, NY 10166, Attn: Luc. A Despins, Esq. ([lucdespins@paulhastings.com](mailto:lucdespins@paulhastings.com));
- vii. attorneys for the Official Committee of Unsecured Creditors, Casillas, Santiago & Torres LLC, El Caribe Office Building, 53 Palmeras Street, Ste. 1601, San Juan, PR 00901, Attn: Juan J. Casillas Ayala, Esq. ([jcasillas@cstlawpr.com](mailto:jcasillas@cstlawpr.com)) and Alberto J.E. Añeses Negrón, Esq. ([aaneses@cstlawpr.com](mailto:aaneses@cstlawpr.com));
- viii. attorneys for the Official Committee of Retired Employees, Jenner & Block LLP, 919 Third Ave., New York, NY 10022, Attn: Robert Gordon, Esq.

([rgordon@jenner.com](mailto:rgordon@jenner.com)) and Richard Levin, Esq. ([rlevin@jenner.com](mailto:rlevin@jenner.com)), and Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654, Attn: Catherine Steege, Esq. ([csteegen@jenner.com](mailto:csteegen@jenner.com)) and Melissa Root, Esq. ([mroot@jenner.com](mailto:mroot@jenner.com));

- ix. attorneys for the Official Committee of Retired Employees, Bennazar, García & Milián, C.S.P., Edificio Union Plaza, PH-A, 416 Ave. Ponce de León, Hato Rey, PR 00918, Attn: A.J. Bennazar-Zequeira, Esq. ([ajb@bennazar.org](mailto:ajb@bennazar.org));
- x. the Puerto Rico Department of Treasury, PO Box 9024140, San Juan, PR 00902-4140, Attn: Reylam Guerra Goderich, Deputy Assistant of Central Accounting ([Reylam.Guerra@hacienda.pr.gov](mailto:Reylam.Guerra@hacienda.pr.gov)); Omar E. Rodríguez Pérez, CPA, Assistant Secretary of Central Accounting ([Rodriguez.Omar@hacienda.pr.gov](mailto:Rodriguez.Omar@hacienda.pr.gov)); Angel L. Pantoja Rodríguez, Deputy Assistant Secretary of Internal Revenue and Tax Policy ([angel.pantoja@hacienda.pr.gov](mailto:angel.pantoja@hacienda.pr.gov)); Francisco Parés Alicea, Assistant Secretary of Internal Revenue and Tax Policy ([francisco.pares@hacienda.pr.gov](mailto:francisco.pares@hacienda.pr.gov)); and Francisco Peña Montañez, CPA, Assistant Secretary of the Treasury ([Francisco.Pena@hacienda.pr.gov](mailto:Francisco.Pena@hacienda.pr.gov));
- xi. attorneys for the Fee Examiner, EDGE Legal Strategies, PSC, 252 Ponce de León Avenue, Citibank Tower, 12th Floor, San Juan, PR 00918, Attn: Eyck O. Lugo ([elugo@edgelegalpr.com](mailto:elugo@edgelegalpr.com)); and
- xii. attorneys for the Fee Examiner, Godfrey & Kahn, S.C., One East Main Street, Suite 500, Madison, WI 53703, Attn: Katherine Stadler ([BWilliamson@gklaw.com](mailto:BWilliamson@gklaw.com); [KStadler@gklaw.com](mailto:KStadler@gklaw.com)).

## **EXHIBIT A**

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

Case No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO,  
*et al.*,

(Jointly Administered)

Debtors.

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**CERTIFICATION OF THOMAS DOHRMANN IN SUPPORT OF FINAL FEE  
APPLICATION OF MCKINSEY & COMPANY PUERTO RICO CONSULTING, INC.  
AS CONSULTING SERVICES PROVIDER TO THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF DEBTOR,  
THE COMMONWEALTH OF PUERTO RICO FOR THE PERIOD  
FROM JULY 1, 2017 THROUGH MARCH 15, 2022**

I, Thomas Dohrmann, certify as follows:

1. I am President of McKinsey & Company Puerto Rico Consulting, Inc. ("McKinsey Puerto Rico"). I submit this certification with respect to the Final Fee Application of McKinsey Puerto Rico as consulting services provider in the above-captioned case (the "Final Fee Application") for the allowance of compensation for professional services rendered during the relevant application period.
2. I make this certification in accordance with the *Third Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on entered on April 12, 2022 [Docket No. 20546] (the "Third Interim Compensation Order").
3. In connection therewith, I hereby certify that:
  - (a) I have read the Final Fee Application;
  - (b) To the best of my knowledge, information and belief formed after reasonable inquiry, the final allowance and fees sought in the Final Fee Application are in substantial compliance with the Third Interim Compensation Order and the United



States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996; and

- (c) The Debtor, the United States Trustee, the Official Committee of Unsecured Creditors and the Official Committee of Retirees of the Debtor have been provided with a copy of the Final Fee Application simultaneously with the filing thereof, and will have at least ten (10) days to review such Final Fee Application prior to any objection deadline with respect thereto.

Dated: March 10, 2023  
San Juan, Puerto Rico

/s/ Thomas Dohrmann  
Thomas Dohrmann, President  
McKinsey & Company Puerto Rico Consulting, Inc.  
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